

**IOWA ETHICS
AND
CAMPAIGN DISCLOSURE BOARD**

PROPOSED BUDGET

FY 2002

**PRESENTATION BEFORE
ADMINISTRATION & REGULATION
APPROPRIATIONS SUBCOMMITTEE
BUDGET HEARINGS**

JANUARY 24, 2001

**By Kay Williams
Executive Director**

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IOWA ETHICS & CAMPAIGN DICLOSURE BOARD

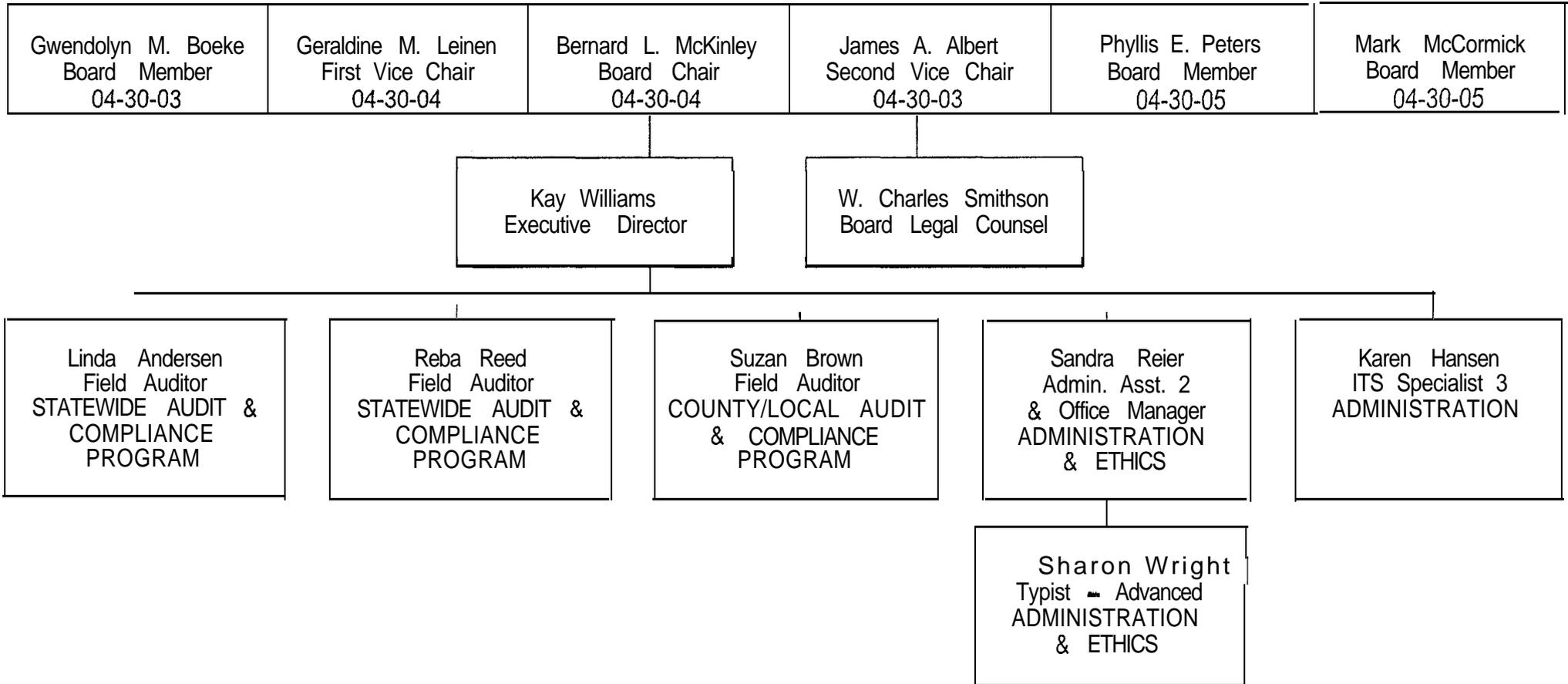
PART I

ORGANIZATION CHART

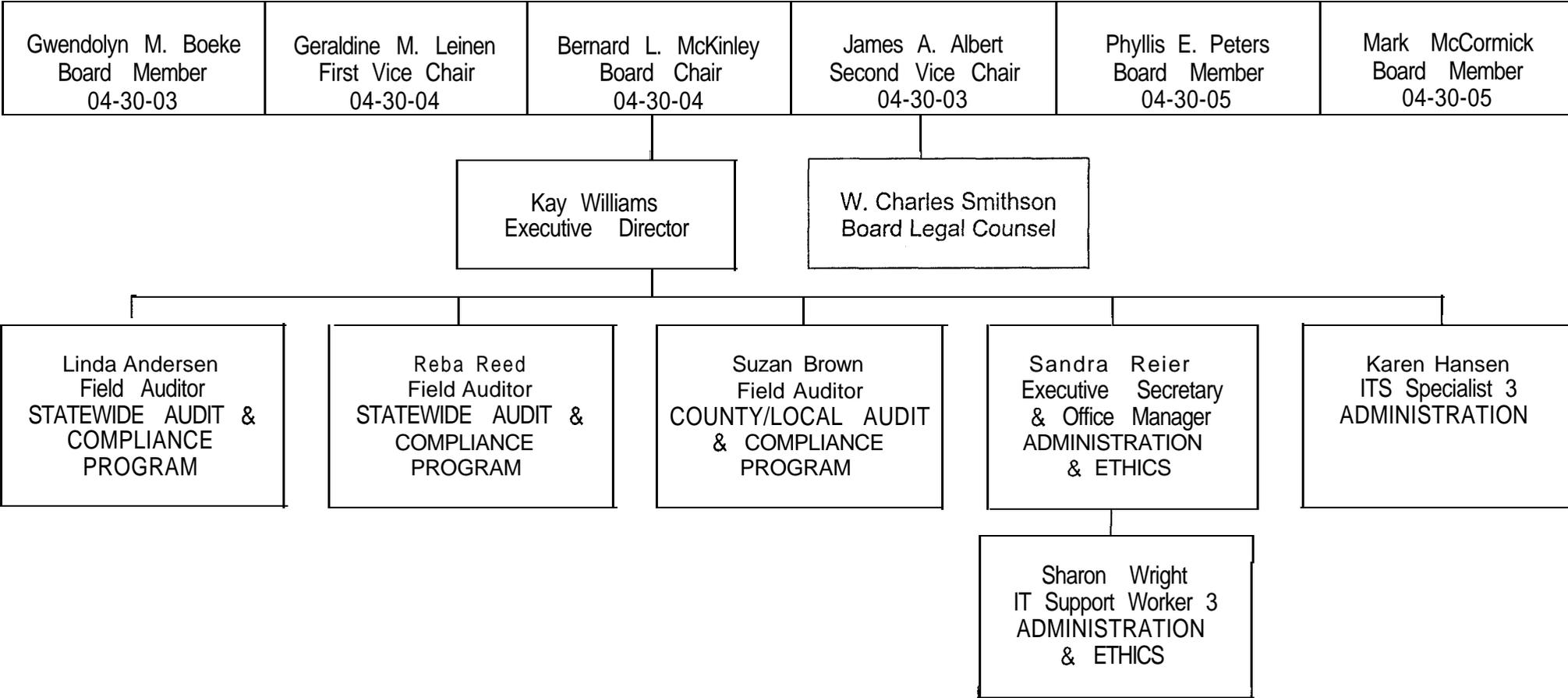
TABLE OF ORGANIZATION

IOWA ETHICS & CAMPAIGN DISCLOSURE BOARD

IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD
 FY-01 ORGANIZATIONAL STRUCTURE



IOWA ETHICS AND CAMPAIGN DISCLOSURE BOARD
FY-01 ORGANIZATIONAL STRUCTURE*



* Proposed FY-02

PART II

ALLOCATION & EXPLANATION OF RESOURCES:

1. ADMINISTRATION
2. AUDIT & COMPLIANCE
3. ETHICS

IOWA ETHICS & CAMPAIGN DISCLOSURE BOARD

ALLOCATION & EXPLANATION OF RESOURCES ADMINISTRATION

(GENERAL AND LEGAL DIVISIONS)

THE FUNCTIONS OF GENERAL ADMINISTRATION INCLUDE:

- Overall supervision of staff and programs
- Mails notices of Board meetings and official Board actions
- Support and assistance for six-member appointed Board
- Maintenance of agency web site and web forms
- Establishment and upkeep for electronic filing programs
- Produces requested reports of activity to public
- Maintains a public service viewing area for interested persons
- Provides reminder and information letters for filers
- Design and printing of forms and all other printed materials
- Coordination of statutory duties with 99 county auditors
- Training of county auditors and staff
- Training sessions and materials for candidates and committees
- Training and presentations for public and private associations
- Prepares budget requests and enters on state computer
- Monitors budget throughout the year
- Makes presentations to other divisions of government
- Performs Accounting and personnel functions
- Responds to general requests from the public
- Support services for other divisions

THE FUNCTIONS OF LEGAL ADMINISTRATION INCLUDE:

- Drafting administrative rules for 351 IAC for board approval
- Drafting proposed legislation for Board approval
- Receiving formal and informal complaints on behalf of the Board
- Presenting proposed resolution of informal complaints to Board
- Conducting investigations on behalf of the Board
- Filing statements of charges on behalf of the Board
- Negotiating terms of settlements for approval of Board
- Enforcing Board Orders and Informal Settlements
- Lobbying on behalf of the Board
- Preparation of tentative agenda for monthly Board meetings
- Scheduling and representing the Board in quasi-judicial hearings
- Issue informal and formal Advisory Opinions on issues of law and rule under the jurisdiction of the Board

AUDIT & COMPLIANCE

(STATE AND COUNTY/LOCAL DIVISIONS)

THE FUNCTIONS OF STATE LEVEL AUDIT & COMPLIANCE INCLUDE:

- Receipt of reports from statewide and general assembly candidates, monitoring them for timeliness and assessing civil penalties for late reports
- Receipt of reports from statewide political committees (PACs), monitoring them for timeliness and assessing civil penalties for late reports.
- Receipt of reports from out-of-state political committees, monitoring them for timeliness and assessing civil penalties for late reports.
- Detail audit of all reports filed within the 3 year statute of limitations, contacting committees which are in non-compliance and achieving compliance with the law.
- Referring to legal counsel committees which fail to comply
- Maintain records of all reports on computer programs
- Maintain paper and electronic files which are available to the public

FUNCTINS OF COUNTY/LOCAL AUDIT & COMPLIANCE INCLUDE;

- Receipt of copies of reports from county, municipal and school board candidates filed in the 99 Iowa counties, monitoring them for timeliness and assessing civil penalties for late reports
- Receipt of copies of reports from local political and ballot issue committees filed in the 99 Iowa counties, monitoring them for timeliness and assessing civil penalties for late reports.
- Receipt of copies of reports from county central committees in the 99 Iowa counties.
- Receipt of County Summary Reports from the 99 County Auditors, monitoring information of reports filed for timeliness and assessing civil penalties for late reports.
- Detail audit of all copies of reports filed within the 3 year statute of limitations, contacting committees which are in non-compliance and achieving compliance with the law.
- Refer to legal counsel committees which fail to comply
- Maintain records of all reports on limited computer programs
- Maintain paper and electronic files which are available to the public

ETHICS

THE FUNCTIONS OF THE ETHICS DIVISION INCLUDE:

- Registration of Executive Branch lobbyists
- Send reminder notices (by e-mail or regular mail) to registered persons to ensure timely report filing
- Receipt of periodic Executive Branch lobbyists' reports
- Receipt of semi-annual Executive Branch clients' reports
- Monitor timeliness of reports to statutory deadlines
- Assess and collect civil penalties for late reports
- Audit of lobbyists' and clients' reports
- Hand enter into database all paper filed reports to merge with the electronic data base
- Maintain open record files (paper or electronic) of all lobbyists and clients for public access
- Send reminders (by e-mail or regular mail) to executive branch persons in positions required to file personal financial disclosure reports of the deadlines and requirements.
- Monitor personal disclosure reports for timeliness
- Assess and collect civil penalties for late reports
- Create as requested reports of information on database for the public and the Board
- Maintain open records of filed personal disclosure reports
- Refer to legal counsel persons who fail to comply with the law and rules

AGENCY PERSONNEL STAFFING

Of necessity due to the small size of the agency, staffing of the preceding functional divisions and subdivisions experience considerable overlapping.

For example, Executive Director is in the Administrative Division (General) payroll, where most of her duties evolve. There is some cross-over with other divisions.

However, Legal Counsel is totally allocated in the Ethics Division payroll, while most of his legal duties fit into Administrative (Legal).

This is also true of the Administrative Assistant, allocated by payroll to Ethics, but who performs duties primarily in the Administrative Division (both General and Legal).

The front-desk receptionist (Typist Advanced) is in charge of the executive branch lobbyist, client and personal disclosure program, but also performs clerical and support duties for the Administrative Division (both General and Legal)

The Systems Administrator (Information Technology Specialist 3) is primarily in the Administrative Division, but sometimes crosses over into Audit and Compliance.

The 3 Field Auditors are more accurately reflected in their program areas by payroll allocation.

PART III

PERFORMANCE & SERVICE STATISTICS

IOWA ETHICS & CAMPAIGN DISCLOSURE BOARD

PERFORMANCE, SERVICE AND STATISTICS

CURRENT OPEN CAMPAIGN FINANCE COMMITTEES:

COMMITTEE TYPE	TOTAL	PAPER FILERS	ELECTRONIC
Candidates for Statewide Office	15	10	5
Candidates for General Assembly	255	139	116
State Level Special Interest PACs	160	97	63
"Partisan" Political Committees	43	38	5
State/County Political Parties	200	177	23
County/Local Committees (Candidates & Political Committees).	915	889	26
Out of State PACs (No electronic option available)	330	330	N/A

ADDENDUM INFORMATION

- Statewide and Legislative candidates file up to 6 times per year in an election year, once in a non-election year
- Special Interest PACs file 4 times per year
- In-State Partisan political committees file 4 times per year
- Out-of-State PACs file each time they make a contribution
- Political party committees file 4 times in an election year, twice in a non-election year
- County candidates file 4 times in an election year, once in a non-election year
- Municipal candidates file up to 7 times and School Board candidates up to 5 times in an election year, twice in a non-election year.
- Local ballot issue committees file up to 5 times in an election year, twice in a non-election year

PERFORMANCE, SERVICE AND STATISTICS

CAMPAIGN FINANCE REPORTING ADMINISTRATION & REGULATION GENERAL INFORMATION

- 40% of committees overall receive one or more audit letters for non-compliance
- Only 6% of electronic filers receive one or more audit letters
- Approximately 8% of committees file one or more reports late and are assessed civil penalties (fines) in accordance with 351 IAC 6.2
- The average statewide committee report is 200 pages
- The average legislative committee report is 35 pages in length
- The average PAC report is 15-20 pages in length
- The average county/local report is 8 pages in length
- The average out-of state committee makes 20 to 25 contributions to Iowa committees per year, each report is one page in length
- Cross-checking detects and corrects error and omission in about 2% of filings

PERFORMANCE, SERVICE AND STATISTICS

CURRENT EXECUTIVE BRANCH LOBBYISTS

Current cycle reports not due until 01/31/01,
539 total reports filed in 2000,
375 lobbyists registered to date 2001)

1/31 REPORTS TOTAL	PAPER FILERS	ELECTRONIC
311	214	97

CURRENT EXECUTIVE BRANCH CLIENTS

Current cycle reports not due until 01/31/01,
468 total reports filed in 2000,
362 clients registered to date 2001

1/31 REPORTS TOTAL	PAPER FILERS	ELECTRONIC
157	111	14

EXECUTIVE BRANCH PERSONAL FINANCIAL DISCLOSURE REPORTS

- Reports not due until 04/30/01
- 563 filers in year 2000
- Reports are required from specific executive branch positions as set out in 351 IAC 11.2.
- Civil penalties (fines) are assessed for late filed reports
- Approximately 10% of filers filed late in year 2000

PART IV

FEES AND FINES

GENERATED BY CODE AND RULE

IOWA ETHICS & CAMPAIGN DISCLOSURE BOARD

CIVIL PENALTIES (FINES) COLLECTED

- All penalties collected are deposited directly into the State of Iowa General Fund
- Late filings are automatically assessed a civil penalty
- Different levels of fines are assessed for different types of committees and number of violations (see 351 IAC 6.2)
- The Board assesses discretionary penalties for violations other than late filed reports.

AUTOMATIC DISCRETIONARY

	STATE LATE REPORTS	CTY/LOCAL LATE REPORTS	OUT/STATE LATE REPORTS	LATE CLIENT & LOBBYIST	LATE PFD*	STATE LEVEL	CTY/ LOCAL LEVEL
FY 99	4,600	5,115	8,800	3,525	N/A	2,314	1,625
FY 00 3,774	1,998	5,720	4,275	6,425	275	1,455	
FY 01 2,280 (YTD)	3,575	2,565	2,400	1,775	175	345	

*Fines not applicable until 04/99, none assessed until 04/00 due to proximity of due date in 1999

PART V

DECISION PACKAGE REQUESTS

**BASE BUDGET REDUCTIONS,
RESTORATIONS
and
DECISION PACKAGE REQUESTS**

REDUCTIONS

FY01 Appropriation		\$515,505
Reduce to 75% Base*	- \$133,069	\$382,436
Restore to 90% Base **	\$80,391	\$462,827
Restore to 98% Base ***	\$44,219	\$507,046
Restore to 100% Base****		\$
	8,459	\$515,505

***Step 1: To accomplish 75% base budget**
Layoff Field Auditor, PAC & Federal Reporting
\$51,913

Layoff Field Auditor, County/Local Reporting	\$42,295
Reduce Attorney to half-time (.5 FTE)	\$38,861
	\$133,069 Total

RESTORATIONS

****Step 2: Restoration to 90%**

Restore Attorney to full-time (1.00 FTE)	\$38,861
Restore Field Auditor, PAC & Federal to 4 days/week	\$41,530
	\$80,391 Total

*****Step 3: Restoration to 98%**

Restore .8 FTE Field Auditor, PAC, to full-time	\$10,383
Restore Field Auditor, County Local to 4 days/week	\$33,836
	\$44,219 Total

******Step 4 – Restoration to 100%**

Restore Field Auditor, County Local to full-time	\$ 8,459 Total
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**BASE BUDGET REDUCTIONS,
RESTORATIONS
and
DECISION PACKAGE REQUESTS
(cont'd)**

ADDITIONAL REQUESTS

(cont'd)

BLUE CROSS-BLUE SHIELD RATE INCREASE	\$8,000
Request – \$8,000 for actual cost charged to agency for rate increase For health insurance	

Explanation -Although each state agency must bear the brunt of the rate increase by Wellmark Blue Cross-Blue Shield, IECDB has been advised that its rate increase is the largest in percent of total budget of any state agency. Each agency is expected to find funds to pay this unexpected cost. For agencies with more positions on their tables of organization and more turnover or attrition, this is easily absorbed. This is not an option for IECDB. The cost will be ongoing, and a heavy burden in this and future fiscal years without funding.

DESIGN/SUPPORT OF WEB BASED REPORTING	\$30,000
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Request - This amount was originally requested to begin work on an Internet filing site on the Agency Web Site.

Explanation: Some progress has been made on this program through re-engineering funds. Lobbyist and Client reports may be filed on the web. However, initial registration statements cannot be filed on the web, and the data is not currently in a searchable database.
ITD has also informed IECDB that a minimum of \$5,000 to a possible \$15,000 will be required for the support of this program and the proposed campaign finance reporting program, which cannot be paid from re-engineering funds. There will also be a need for scanning equipment to place paper report information on the Internet so that all information is equitably accessible. Otherwise, it must be hand-entered. Until it is determined how many filers will use the web instead of paper, it is unknown how much staff time will be available for entry.

BOARD MEMBER PUBLICATION FUND	\$4,500
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Request – The six-member appointed Board wishes to establish a periodic Newsletter.

Explanation – The Iowa Ethics & Campaign Disclosure Board has been frustrated with the lack of funds for its use in publicizing the role of the Board to legislators and elected officials and to the general public. It believes those regulated perceive the Board

**BASE BUDGET REDUCTIONS,
RESTORATIONS
and
DECISION PACKAGE REQUESTS
(cont'd)**

**ADDITIONAL REQUESTS
(cont'd)**

Explanation - to be vindictive rather than fair, and that news reports often
(cont'd) exaggerate Board actions to the public's detriment. It has also
directed additional mailings by the agency when report deadlines
draw near to ensure knowledge and better compliance.

**FUNDING FOR REPLACEMENT CYCLE OF STAFF
COMPUTERS AND PERIPHERALS** **\$7,500**

Request - To develop a cycle of replacement of outdated and outmoded
technological equipment.

Explanation - The Information Technology Department has a standard of
replacement of personal computers and other related equipment
in three-year reviews to ensure that programs are operating at
the optimum level. Past experience has shown the need for these
replacements and upgrades, sometimes in a crisis situation, where
funds had to be taken from another source to continue. As the
agency becomes more involved in electronic data, up to date
equipment is a must.

**FUNDING FOR ADDITIONAL PRINTER FOR PUBLIC
AREA** **\$2,000**

Request - Purchase of printer for Public Service Area

Explanation - Since the advent of electronic filings for Iowa committees
and the availability of federal candidate and committee
information on line, the agency has for several years
established and maintained a Public Service Area in the
office where members of the public may use one of 3
"read only" personal computers to retrieve, and review
report data at no cost and in anonymity. If the member
wishes a copy of a report or portion of a report, the person
may print it out at the normal cost of fifteen cents per page.
There currently is no separate printer for this purpose, which
means the public member often has access to work documents
on the printer being produced by staff, and may inadvertently
remove the documents. Public use also delays the availability
of the printer to staff. A separate printer for the public's use
is desirable and efficient.

PART VI

VISION FOR FUTURE

IOWA ETHICS & CAMPAIGN DISCLOSURE BOARD

VISION FOR THE FUTURE

Issues:

- Iowans are critical about the cost and length of campaigns and are perhaps apathetic because of the long time frame, heavy exposure and high expenditures
- The amount of money spent in campaigns will continue to increase
- It is increasingly difficult for candidates and committees to find volunteers to keep records and handle transactions
- Open-record reports filed by political committees and candidates are not easily available to the public, or to opponents or political parties
- Filed reports are not audited for accuracy and legality for up to three years after filing due to staff limitations

Solutions to Consider

A. IE CDB Staff Increases

- Add 2 field auditors for audit purposes
- Add 2 data entry operators for data entry of filed reports
- Add 1 staff member for full-time training of committees
- Add 1 staff member for systems operations for database, backup, and filing software

Expected Results:

- Improved audit timelines
- Better trained committees and volunteers
- Available data base to public through the Internet and through office visits

B. Web-Based Electronic Filing:

- Provide vehicle for filing reports electronically directly on the IECDB Web Site
- Provide state-of-the-art security for interim transactions entered until such time as a report is due and entered
- Provide daily back-up of all filed reports into the ITD "security farm" rather than current tape back-ups
- Provide access for filing to **all levels** of committees - state, legislative, county, municipal, and school board candidates, and political committees and ballot issue groups at all levels as well
- Create a searchable database among all filed reports to identify both contributors and types of expenditures
- Expand filing depository by year 2004 to include all 99 counties for county/local filers
- Provide all of the above services at no cost to the candidate or committee filing reports
- Include Executive Branch lobbyists, clients and personal financial disclosure reports for web-based filings (partially in place in 2001)

Expected Results:

- Provide public with easy access to filed reports
- Provide users with technology to make filing easier
- Individuals more willing to volunteer to work for committees
- Permit easier and quicker electronic audits for legality and accuracy
- Timely audits without increases in IECDB staff
- Increased accountability by all persons involved in political process